

Grant House Sewing Machines
5152A Hollister Avenue, Santa Barbara, CA 93111
805 967-3680

February 1, 2009

Dave Gustafson
Santa Barbara Redevelopment Agency
630 Garden Street
Santa Barbara, CA 93101

Regarding: Compliance with California Health and Safety Code Section 33130

Dear Dave,

I am moving Grant House Sewing Machines from its current location in Magnolia Center to 128B E. Canon Perdido Street within the Central City Redevelopment Project Area. As a Member of the Santa Barbara Redevelopment Agency (RDA) Board, I am required by California Health and Safety Code Section 33130 to notify the Redevelopment Agency immediately upon leasing property for my business within the Project Area.

For purposes of disclosure, my wife, Peggy Jo Love House, is general partner in another business located in the Central City Redevelopment Project Area. She and business partner, Leslie Mann, have rented on a month to month basis 21C W. Victoria Street for their hair salon Head West for nearly 30 years. This has been reported annually on Form 700 since I began serving the City as a Planning Commissioner in 1997 and during my three years on City Council.

California Health and Safety Code Section 33130 contains specific language for Agency Board Members who rent or lease space in which they conduct their primary businesses. Specifically, it is OK for a Board Member to rent or lease a property within the RDA if it meets all of four conditions. Here is subsection (c) that spells out those conditions:

(c) A rental agreement or lease of property which meets all of the following conditions is not an interest in property for purposes of subdivision (a):

(1) The rental or lease agreement contains terms that are substantially equivalent to the terms of a rental or lease agreement available to any member of the general public for comparable property in the project area.

(2) The rental or lease agreement includes a provision which prohibits any subletting, sublease, or other assignment at a rate in excess of the rate in the original rental or lease agreement.

(3) The property which is subject to the rental or lease agreement is used in the pursuit of the principal business, occupation, or profession of the officer or employee.

(4) The agency or community officer or employee who obtains the rental or lease agreement immediately makes a written disclosure of that fact to the agency and the legislative body.

To comply with (c) (4), I am formally notifying the Santa Barbara Redevelopment Agency by this letter that I have entered into a lease agreement with Pueblo Viejo Properties for 128B E. Canon Perdido St. The terms of this lease agreement are substantially equivalent to the terms of a rental or lease agreement available to any member of the general public for comparable property in the Central City Redevelopment Project Area and the lease agreement is used in the pursuit of my principal business. The same is true of Peggy Jo's rental with her business partner of 21C W. Victoria Street.

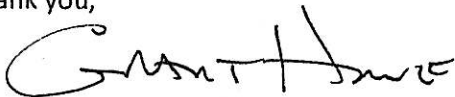
To ensure compliance with (c) (2), I have requested an addendum to the lease that says:

In compliance with California Health Code Section 33130, any subletting, sublease, or other assignment may not exceed the rate contained in the original lease agreement.

Peggy Jo's rental is on a month to month basis and, as such, does not offer the opportunity to sublet.

I request that this notice be placed as an information item on an upcoming RDA Board agenda as soon as possible. We open for business at the new location on March 1, 2009.

Thank you,

A handwritten signature in black ink, appearing to read "Grant House", written in a cursive style.

Grant House, owner

cc: Steve Wiley
Jim Armstrong
Dave Gustafson